

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Asm Judiciary Cmmttee Analyst: Gloria McConnell Bill Number: AB 1671

Related Bills: See Prior Analysis Telephone: 845-4336 Amended Date: 09-07-99

Attorney: Janet Ballou Sponsor:

SUBJECT: Child Support Enforcement

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED 06/30/99 STILL APPLIES.

☒ OTHER - See comments below.

SUMMARY OF BILL

As this bill directly affects the Franchise Tax Board (FTB), it would

1. Require that out-of-state child support delinquencies be processed through the financial institutions data match (FIDM) and levies be made thereon, as mandated by federal law.
2. Create a lien by operation of law (statutory lien) on an obligor's personal property for all amounts of overdue support regardless of whether the amounts have been adjudicated or otherwise determined. However, the child support statutory lien would have priority over any competing state tax lien only if the child support lien is filed with the Secretary of State (SOS) or the levy is made on the property before the state tax lien is filed with the SOS.
3. Make technical corrections to child support collection laws administered by Franchise Tax Board (FTB) under the Revenue and Taxation Code (RTC) by replacing a repealed section number of the Welfare and Institutions Code (WIC) with the number of the new WIC section under which counties receive incentive payments for child support collections and replacing the formal name of Statewide Automated Child Support System (SACSS) with a generic reference to California's automated child support system.

This analysis does not address the other child support enforcement provisions of the bill. However, the FTB's position is restated.

SUMMARY OF AMENDMENT

The September 2, 1999, and September 7, 1999, amendments add contingency language to prevent this bill from being chaptered out in the event other bills are

Board Position:

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<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input type="checkbox"/> PENDING

Legislative Director

Date

Geoff Way for J. Rosas 9/13/1999

enacted. These amendments do not directly affect the FTB's programs or operations. However, this summary analysis corrects the departmental costs reflected in FTB's previous analysis. Previously, staff's estimated costs were overstated as it reflected the cumulative costs for each fiscal year rather than the incremental difference between fiscal years.

Departmental Costs

Out-of-state Child Support Delinquencies/FIDM Provision

For the modifications to the FIDM systems and for staff to support the workload increase attributable to the out-of-state delinquencies submitted to FTB via DOJ, FTB's departmental costs would increase as follows, based on FTB's past experiences with other programs:

	Fiscal year 2000/01		Fiscal year 2001/02		Fiscal year 2002/03	
	One-time	Ongoing	One-time	Ongoing	One-time	Ongoing
Developmental	\$33,800	\$31,200				
Staff/support/equipment			\$56,200	\$428,900	\$57,400	\$410,700
# personnel		.5		9.8		17.8

BOARD POSITION

Support.

The FTB voted in its meeting of July 6, 1999, to support this bill if amended to allow a notice of state tax lien filed with respect to personal property to compete with the statutory child support lien, which was accomplished with the June 30, 1999, amendments.